

London Stock Exchange Derivatives Market Equity Derivatives Contract Specifications

This document is for information only and is subject to change. London Stock Exchange Group has made reasonable efforts to ensure that the information contained in this document is correct at the time of printing, but shall not be liable for any decisions made in reliance on it. It does not constitute investment advice, nor is it intended to constitute an invitation or inducement to engage in any investment activity. This document does not constitute an offer to sell or the solicitation of an offer to purchase any security, investment product or service in the United States or any other jurisdiction in which such an offer or solicitation is not authorised.

© 28 January 2019

London Stock Exchange Group plc, 10 Paternoster Square, London EC4M 7LS.

Contents

1.0	IOB derivatives	3
1.1	IOB DR futures	3
1.2	IOB DR options	5

2.0	Norwegian derivatives	6
2.1	Norwegian stock futures	6
2.2	Norwegian stock options	7
2.3	OBX Index futures	8
2.4	OBX Index options	9
2.5	OBOSX Index futures	10

The Contract Specifications for equity based Listed Products traded on the London Stock Exchange Derivatives Market are set out in this document. This document forms part of this rule book and shall have effect as if set out in full in the body of this rule book.

Member Firms should be aware that certain derivative contracts may be traded during trading hours when the market in the underlying is closed. Member Firms should therefore consider any risks associated with trading these contracts before entering into any Trade.

1.0 IOB derivatives

1.1 IOB DR futures

Parameter	Description	
Contract Underlying	Depository Receipts (DRs) on International Companies listed on the London Stock Exchange's (LSE) International Order Book (IOB) and listed on the London Stock Exchange Derivatives Market – Product List on the LSEG Website.	
Type of Contract	Physically settled Futures contracts with Daily Cash Settlement. Cash settled Futures contracts are also available for Trade Reporting only.	
Central Counterparty	LCH.Clearnet.	
Trading Hours (London time)	Order book trading	Trade Reporting (Block Trades only)
	08:00 – 16:30	07:30 – 17:30
Multiplier	100 DRs. This may change in specific cases in accordance with the Recalculation Rules.	
Currency	USD, United States Dollar, \$.	
Quotation display	Future Price in USD.	
Tick Size	For the following underlying: LKOD, MNOD, NVTK, OGZD, ROSN, SBER	
	Future Price	On-book trading
	USD 0 – USD 0.9999	USD 0.0001
	USD 1 – USD 4.9995	USD 0.0005
	USD 5 – USD 9.999	USD 0.001
	USD 10 – USD 49.995	USD 0.005
	USD 50 – USD 99.99	USD 0.01
	USD 100 – USD 499.95	USD 0.05
	USD 500 – USD 999.9	USD 0.1
	USD 1,000 – USD 4,999.5	USD 0.5
	USD 5,000 – USD 9,999	USD 1
	>= USD 10,000	USD 5
	For all other underlying:	
	Future Price	Tick Size
	USD 0 - USD 0.4999	USD 0.0001
	USD 0.5 - USD 0.9995	USD 0.0005
	USD 1 - USD 4.999	USD 0.001
	USD 5 USD 9.995	USD 0.005
	USD 10 - USD 49.99	USD 0.01
	USD 50 - USD 99.95	USD 0.05
USD 100 - USD 499.9	USD 0.1	
USD 500 - USD 999.5	USD 0.5	
USD 1,000 - USD 4,999	USD 1	
>= USD 5,000	USD 5	
Settlement style	Physically settled: Physical Settlement by Delivery of the Underlying DR on Expiration Day with Daily Cash Settlement throughout the lifetime of the Contract. Cash settled: Cash Settlement on Expiration Day with Daily Cash Settlement throughout the lifetime of the Contract.	
Listing Day	The Monday following the Expiration Day each month. Where this is not a normal Trading Day, the following Trading Day shall be used.	
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.	
Contract lifetimes and Expiration Months	First two serial months and next eight quarterly months of the "March, June, September and December" expiry cycle.	
Daily Settlement Price	The official closing price of the Underlying DR on the London Stock Exchange IOB on each day adjusted for Fair Value.	
Daily Cash Settlement	One Bank Day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.	

Exchange Delivery Settlement Price (EDSP)	The official closing price of the Underlying DR on the London Stock Exchange IOB on Expiration Day. London Stock Exchange Derivatives Market shall take this value and round it to the nearest tick to establish the Expiration Settlement Price.
Expiration Settlement	Physically settled: Two Bank Days after Expiration Day for Physical Delivery of DRs against payment of Expiration Settlement Amount. Cash settled: One Bank Day after Expiration Day for payment of Expiration Settlement Amount.
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to Five years) • Future Price (to four decimal places) • Settlement style (Cash, Physical)

1.2 IOB DR options

Parameter	Description		
Contract Underlying	Depository Receipts (DRs) on International Companies listed on the London Stock Exchange's (LSE) International Order Book (IOB) and listed on the London Stock Exchange Derivatives Market – Product List on the LSEG Website.		
Type of Contract	European Style, Physically settled DR Call and Put Option Contracts. American style or Cash settled Option Contracts are also available for Trade Reporting only.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Trade Reporting (Block Trades only)	
	08:00 – 16:30	07:30 – 17:30	
Exercise Window	18:10 – 18:40 London time on Expiration Day.		
Multiplier	100 DRs, except for derivatives on SMSN: 10 DRs. This may change in specific cases in accordance with the Recalculation Rules.		
Currency	USD, United States Dollar, \$.		
Quotation display	Option Premium in USD.		
Tick Size	Premium	On-book trading	Order to execute Bilaterally Negotiated Trades
	USD 0.0001 - USD 0.099	USD 0.0001	USD 0.0001
	USD 0.01 - USD 0.249	USD 0.001	
	USD 0.25 - USD 1.99	USD 0.01	
	USD 2 - USD 3.95	USD 0.05	
	USD 4 - USD 9.9	USD 0.10	
>= USD 10	USD 0.25		
Settlement style	Physically settled: Physical Settlement by Delivery of the Underlying DR on Expiration Day with Daily Cash Settlement throughout the lifetime of the Contract. Cash settled: Cash Settlement on Expiration Day with Daily Cash Settlement throughout the lifetime of the Contract.		
Option style	European style Options for Order Book trading and Electronic Trade Reporting. American style and European style Options for Manual Trade Reporting.		
Listing Day	The Monday following the Expiration Day each month. Where this is not a normal Trading Day, the following Trading Day shall be used.		
Expiration Day	The third Friday in the Expiration Month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	First two serial months and next eight quarterly months of the "March, June, September and December" expiry cycle		
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, dividend amount (if applicable), ex-dividend date (if applicable), the second order interpolation and the arbitrage free surface.		
Exercise Settlement Price	The official closing price of the Underlying DR on the London Stock Exchange IOB on Expiration Day. London Stock Exchange Derivatives Market shall take this value and round it to four decimal places to establish the Exercise Settlement Price.		
Exercise Settlement	Physically settled: Two Bank Days after Exercise for Physical Delivery of DR against payment of Exercise Settlement Amount. Cash settled: One Bank Day after Expiration Day for payment of Exercise Settlement Amount.		
Premium Settlement	One Bank Day after the Trade Day.		
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to Five years) • Premium (to four decimal places) • Strike Price (to four decimal places) • Settlement style (Cash, Physical) • Option Style: American or European 		

2.0 Norwegian derivatives

2.1 Norwegian stock futures

Parameter	Description		
Contract Underlying	Norwegian Companies listed on Oslo Børs (full list available on the London Stock Exchange Derivatives Market – Product List on the LSEG Website)		
Type of Contract	Physically settled Future Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Electronic Trade Reporting (Block Trades only)	Manual Trade Reporting (Block Trades only)
	08:00 – 15:20	08:00 – 15:20	07:30 – 16:00
Multiplier	100 Shares. This may change in specific cases in accordance with the Recalculation Rules.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Future Price in NOK.		
Tick Size	Future Price	On-book trading	Order to execute Bilaterally Negotiated Trades
	NOK 0 - NOK 49.99	NOK 0.01	NOK 0.0001
	NOK 50 - NOK 99.95	NOK 0.05	
	NOK 100 - NOK 499.9	NOK 0.1	
NOK 500 +	NOK 0.5		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday of the expiration month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months¹	Normal 3 month contract, listed monthly 12 month contract, listed quarterly	Long 3 month contract, listed monthly 12 contract, listed quarterly 24 month contract, listed semi-annually	AD (100% dividend adjusted) 3 month contract, listed monthly 6 month contract, listed quarterly
	Listing months:		
	<ul style="list-style-type: none"> 3 month contract: Jan, Feb, Apr, May, Jul, Aug, Oct, Nov 6 and 12 month contract: Mar, Jun, Sep, Dec 24 month contract : Jun, Dec 		
	The Product List on the London Stock Exchange Derivatives Market Website shows all Stocks and their corresponding Group.		
Daily Settlement Price	The official closing price of the Underlying Stock on Oslo Børs each day adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day		
Exchange Delivery Settlement Price (EDSP)	The official closing price of the Underlying Stock on Oslo Børs on Expiration Day.		
Expiration Settlement	Two Bank Days after Expiration Day for Physical Delivery of Stock against payment of Expiration Settlement Amount.		

¹ Additional maturities may be listed, subject to Oslo Børs' assessment.

2.2 Norwegian stock options

Parameter	Description		
Contract Underlying	Norwegian Companies listed on Oslo Børs and listed on the London Stock Exchange Derivatives Market – Product List on the LSEG Website.		
Type of Contract	American style, Physically settled Call and Put Option Contracts.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Electronic Trade Reporting (Block Trades only)	Manual Trade Reporting (Block Trades only)
	08:00 – 15:20	08:00 – 15:20	07:30 – 16:00
Exercise Window	07:30 – 18:00 London time on any Trading Day except Expiration Day. 18:10 – 18:40 London time on Expiration Day.		
Multiplier	100 Shares. This may change in specific cases in accordance with the Recalculation Rules.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Option Premium in NOK.		
Tick Size	Premium	On-book trading	Order to execute Bilaterally Negotiated Trades
	NOK 0 - NOK 0.24	NOK 0.01	NOK 0.0001
	NOK 0.25 - NOK 3.95	NOK 0.05	
	NOK 4 - NOK 7.9	NOK 0.1	
NOK 8 +	NOK 0.25		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday of the expiration month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months²	Normal	Long	AD (100% dividend adjusted)
	3 month contract, listed monthly 12 month contract, listed quarterly	3 month contract, listed monthly 12 contract, listed quarterly 24 month contract, listed semi-annually	3 month contract, listed monthly 6 month contract, listed quarterly
	Listing months: <ul style="list-style-type: none"> • 3 months terms: Jan, Feb, Apr, May, Jul, Aug, Oct, Nov • 6 and 12 months terms: Mar, Jun, Sep, Dec • 24 months terms : Jun, Dec 		
	The Product List on the London Stock Exchange Derivatives Market Website shows all Stocks and their corresponding Group.		
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, dividend amount (if applicable), ex-dividend date (if applicable), the second order interpolation and the arbitrage free surface.		
Exercise Settlement Price	The official closing price of the Underlying Stock on Oslo Børs each Trading Day including Expiration Day.		
Exercise Settlement	Two Bank Days after Exercise for Physical Delivery of Stock against payment of Exercise Settlement Amount.		
Premium Settlement	One Bank Day after the Trade Day.		

² Additional maturities may be listed, subject to Oslo Børs' assessment.

2.3 OBX Index futures

Parameter	Description		
Contract Underlying	The OBX Index, the benchmark index for Norway.		
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Electronic Trade Reporting (Block Trades only)	Manual Trade Reporting (Block Trades only)
	08:00 – 15:20	08:00 – 15:20	07:30 – 16:00
Multiplier	NOK 100 per Index point.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Future Price in Index points.		
Tick Size	Future Price	On-book trading	Order to execute Bilaterally Negotiated Trades
	0 points - 999.9 points	0.10 points	0.0001 points
	1,000 points +	0.25 points	
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday of the expiration month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	3 months contract, listed every serial month (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov) 12 months contract, listed every calendar quarter (Mar, Jun, Sep, Dec)		
Daily Settlement Price	The official closing price of the OBX Index as calculated each day by Oslo Børs and adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.		
Exchange Delivery Settlement Price (EDSP)	VWAP of the OBX cash market, including closing auction calculated by Oslo Børs on Expiration Day.		
Expiration Settlement	One Bank Day after Expiration Day for payment of Expiration Settlement Amount.		

2.4 OBX Index options

Parameter	Description		
Contract Underlying	The OBX Index. The benchmark index for Norway.		
Type of Contract	European Style, Cash settled Call and Put Options Contracts.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Electronic Trade Reporting (Block Trades only)	Manual Trade Reporting (Block Trades only)
	08:00 - 15:20	08:00 - 15:20	07:30 - 16:00
Exercise Window	18:10 – 18:40 London time on Expiration Day.		
Multiplier	NOK 100 per Index point.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Option Premium in Index points.		
Tick Size	Premium	On-book trading	Order to execute Bilaterally Negotiated Trades
	0 points - 0.24 points	0.01 points	0.0001 points
	0.25 points - 3.95 points	0.05 points	
	4 points - 7.9 points	0.1 points	
8 points +	0.25 points		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday of the expiration month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	3 months contract, listed every serial month (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov) 12 months contract, listed every calendar quarter (Mar, Jun, Sep, Dec)		
End of Day Price	Used for margining purposes, based on the volatility surface, itself dependent on; quotes per series, Underlying spot price, applicable interest rate, dividend amount (if applicable), ex-dividend date (if applicable), the second order interpolation and the arbitrage free surface.		
Exercise Settlement Price	VWAP of the OBX cash market, including closing auction calculated by Oslo Børs on Expiration Day.		
Exercise Settlement	One Bank Day after Expiration Day for payment of Exercise Settlement Amount.		
Premium Settlement	One Bank Day after the Trade Day.		

2.5 OBOSX Index futures

Parameter	Description		
Contract Underlying	OBOSX - Oslo Børs OBX Oil Service Index		
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement.		
Central Counterparty	LCH.Clearnet.		
Trading Hours (London time)	Order book trading	Electronic Trade Reporting (Block Trades only)	Manual Trade Reporting (Block Trades only)
	08:00 - 15:20	07:30 - 15:20	07:30 - 16:00
Multiplier	NOK 100 per Index point.		
Currency	NOK, Norwegian Kroner.		
Quotation display	Future Price in Index points.		
Tick Size	Future Price	On-book trading	Order to execute Bilaterally Negotiated Trades
	0 points - 999.9 points	0.10 points	0.0001 points
	1000 points	0.25 points	
Settlement style	Cash Settlement on Expiration with Daily Cash Settlement throughout the lifetime of the Contract.		
Listing Day	The Monday preceding the Expiration Day each month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Expiration Day	The third Friday of the expiration month. Where this is not a normal Trading Day, the preceding Trading Day shall be used.		
Contract lifetimes and Expiration Months	3 months contract, listed every serial month (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov)		
	6 months contract, listed every calendar quarter (Mar, Jun, Sep, Dec)		
Daily Settlement Price	The official closing price of the OBX Index as calculated each day by Oslo Børs and adjusted for Fair Value.		
Daily Cash Settlement	One Bank Day after the Trade Day/ calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.		
Exchange Delivery Settlement Price (EDSP)	VWAP of the OBX cash market, including closing auction calculated by Oslo Børs on Expiration Day.		
Expiration Settlement	One Bank Day after Expiration Day for payment of Expiration Settlement Amount.		